

# **CALEDON PARENT-CHILD CENTRE**

---

**Financial Statements**

**Year Ended March 31, 2022**

---

## CALEDON PARENT-CHILD CENTRE

---

### Index to Financial Statements

Year Ended March 31, 2022

---

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Directors of Caledon Parent-Child Centre

### *Qualified Opinion*

We have audited the financial statements of Caledon Parent-Child Centre, which comprise the statement of financial position as at March 31, 2022, and the statements of revenues and expenditures, changes in net assets and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022 and 2021, and its results of operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets and net assets as at March 31, 2022 and 2021.

As discussed in (Note 11) to the financial statements, items with a cost of \$13,643 were included in promotion and appreciation expense in the prior year, they are still on hand with the Organization. This constitutes a departure from Canadian accounting standards for not-for-profit organizations. The assets and the net assets of the organization should both be increased by this amount.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Emphasis of Matter - Restated Figures*

Without modifying our opinion, we draw attention to (Note 8) of the financial statements, which explains that the financial statements for the year ended March 31, 2021 have been restated from those which were originally reported on June 15, 2021. Our procedures with respect to the events subsequent to December 31, 2020 are restricted solely to that amendment to the financial statements.

The financial statements for the year ended March 31, 2021 were audited by another auditor who expressed a qualified opinion on those financial statements on June 15, 2021 for the reasons described in the *Basis for Qualified Opinion* section.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*NVS Professional Corporation*

NVS Professional Corporation  
Chartered Professional Accountants  
Authorized to practice public accounting by the  
Chartered Professional Accountants of Ontario

Markham, Ontario  
June 21, 2022

# CALEDON PARENT-CHILD CENTRE

## Statement of Financial Position

March 31, 2022

	2022	2021 <i>Restated</i> <i>(Note 8)</i>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents <i>(Note 3)</i>	\$ 648,481	\$ 705,630
Accounts receivable	7,615	15,995
Harmonized sales tax recoverable	40,154	20,248
Prepaid expenses	6,838	4,659
	<b>\$ 703,088</b>	<b>\$ 746,532</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 22,030	\$ 43,862
Funding Repayment <i>(Note 4)</i>	118,240	113,022
Wages payable	88,166	71,190
Deferred income <i>(Note 5)</i>	13,935	54,652
	<b>242,371</b>	<b>282,726</b>
<b>Net Assets</b>		
General fund	92,692	104,684
Internally Restricted <i>(Note 6)</i>	368,025	359,122
	<b>460,717</b>	<b>463,806</b>
	<b>\$ 703,088</b>	<b>\$ 746,532</b>

## ON BEHALF OF THE BOARD

  
Michael Fiore (Jun 22, 2022 10:02 EDT)

Treasurer



Executive Director

See notes to financial statements

# CALEDON PARENT-CHILD CENTRE

## Statement of Revenues and Expenditures

Year Ended March 31, 2022

	2022	2021 <i>Restated</i> <i>(Note 8)</i>
<b>REVENUES</b>		
Region of Peel <i>(Note 7)</i>	\$ 988,462	\$ 826,043
United Way of Greater Toronto	53,220	51,768
Federal <i>(Note 7)</i>	37,796	39,176
Ontario Trillium Foundation	12,710	-
Donations	11,486	19,128
Interest Income	3,982	5,777
Town of Caledon <i>(Note 7)</i> <i>(Note 9)</i>	48,435	70,334
Provincial <i>(Note 7)</i>	1,075	1,075
Fees and Other	18	20
	<u>1,157,184</u>	<u>1,013,321</u>
<b>EXPENSES</b>		
Salaries	744,675	625,627
Occupancy and Insurance	175,542	144,355
Employee Benefits	82,479	74,660
Professional Services	39,499	20,318
Office	38,939	60,923
Program supplies and equipment	32,876	76,396
Promotion and appreciation	26,389	8,666
Audit and legal	10,914	7,276
Travel	5,090	6,593
Fundraising	3,870	732
Repairs and maintenance	-	1,926
	<u>1,160,273</u>	<u>1,027,472</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<u>\$ (3,089)</u>	<u>\$ (14,151)</u>

See notes to financial statements

# **CALEDON PARENT-CHILD CENTRE**

## **Statement of Changes in Net Assets**

**Year Ended March 31, 2022**

	General Fund	Restricted Fund	2022	2021 Restated (Note 8)
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 104,684	\$ 359,122	<b>\$ 463,806</b>	\$ 477,957
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(3,089)	-	<b>(3,089)</b>	(14,151)
INTERFUND TRANSFER	(8,903)	8,903	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 92,692</b>	<b>\$ 368,025</b>	<b>\$ 460,717</b>	\$ 463,806

---

**CALEDON PARENT-CHILD CENTRE**

---

**Statement of Cash Flows**  
**Year Ended March 31, 2022**

---

	2022	2021 <i>Restated</i> <i>(Note 8)</i>
<hr/>		
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (3,089)	\$ (5,649)
Changes in non-cash working capital:		
Accounts receivable	8,380	439
Accounts payable	(21,832)	31,657
Funding Repayment	5,218	51,826
Deferred funding	(40,717)	(81,021)
Prepaid expenses	(2,179)	(3,112)
Harmonized sales tax payable	(19,906)	3,049
Wages payable	16,976	5,806
	<u>(54,060)</u>	<u>8,644</u>
Cash flow from (used by) operating activities	<u>(57,149)</u>	<u>2,995</u>
<b>INVESTING ACTIVITY</b>		
Long term investments	<u>-</u>	<u>201,513</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<u>(57,149)</u>	<u>204,508</u>
Cash - beginning of year	<u>705,630</u>	<u>501,122</u>
<b>CASH - END OF YEAR</b>	<u>\$ 648,481</u>	<u>\$ 705,630</u>

See notes to financial statements



---

# CALEDON PARENT-CHILD CENTRE

---

## Notes to Financial Statements

Year Ended March 31, 2022

---

### 1. NATURE OF OPERATIONS

Caledon Parent-Child Centre (the "organization") is a non-profit organization incorporated without share capital under the laws of Ontario. The organization operates as a family resource and early years centre to provide facilities, information and services related to the needs of parents, caregivers and children in the Town of Caledon. The Organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

The uncertainties around the outbreak of the COVID-19 pandemic required the use of significant judgment and estimates. As at March 31, 2022, the Organization has not noted any significant impairment as a result of COVID-19. The uncertain future impact of COVID-19 could generate, in future reporting periods, a significant risk of material adjustments to the carrying amount of: accounts receivable and payables. As an emerging risk, the duration and full financial effect of the COVID-19 pandemic is unknown at this time. Accordingly, estimates of the extent to which the COVID-19 may materially and adversely affect the organization's financial condition, operations and financial results are subject to significant uncertainty.

---

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for non-profit organizations (ASNPO), except as noted below with regard to capital assets

#### Basis of Accounting

These financial statements have been prepared using an accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

In accordance with the funding agreements with the Regional Municipality of Peel, capital assets are charged to operations in the year the expenditures are incurred or charged against the capital asset reserve fund, rather than being capitalized on the balance sheet and amortized over their estimated useful lives.

#### Financial instruments

The organization's financial instruments consist of cash and cash equivalents, accounts receivable, long-term investments and accounts payable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency, or credit risk arising from these financial instruments. The fair values of these financial instruments approximates their carrying values, unless otherwise noted.

The organization's objectives when managing capital is to safeguard the organization's ability to continue as a going concern, so that it can continue to provide services and offer benefits to the members of the community.

(continues)

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are short term investments readily convertible to cash and are valued at cost plus accrued interest.

Capital Assets

Capital assets are expensed when acquired pursuant to funding agreements.

Deferred Contributions

Grants and donations restricted for specific projects are deferred and amortized over the life of the project as the related expenses are incurred, or as instructed by the donor. Amortization is reported as revenue on the Statement of Revenues and Expenditures.

Internally Restricted Funds

Part of the organization's fund balances have been internally restricted as approved by the organization's Board of Directors. Transfers among funds are recorded when approved by the Board of Directors. The purpose of each fund is as follows:

- i. The Contingency Reserve is established to ensure that Caledon Parent-Child Centre has a minimum of three months of operational expenses for contingency purposes.
- ii. The Adjustments After Birth reserve is to be used to fund costs related to Adjustments After Birth Programs.
- iii. The Parent/Child Programs reserve is to be used to fund costs related to Parent/Child Programs.
- iv. The Family Support Programs reserve is to be used to fund costs related to Family Support Programs.
- v. The Pre-School Area reserve is to be used to fund a preschool area in the Centre.
- vi. The Capital Asset reserve is to be used to fund the purchase of a new van.
- vii. The Strategic Resourcing reserve is to be used to fund new strategic initiatives as identified in the organization's strategic plan.
- viii. The Continuing Education reserve is to be used for reimbursement of approved continuing education for staff.

*(continues)*

---

---

## CALEDON PARENT-CHILD CENTRE

---

### Notes to Financial Statements

Year Ended March 31, 2022

---

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

##### Revenue recognition

Caledon Parent-Child Centre follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

##### Contributed Services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

##### Measurement Uncertainty

The preparation of the financial statements in conformity with Canadian accounting standards for non-profit organization requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

---

#### 3. CASH AND CASH EQUIVALENTS

	<u>2022</u>	<u>2021</u>
Cash	\$ 311,178	\$ 369,274
High interest Savings Account - earning interest at 0.22% at March 31, 2022	133,056	132,749
Guaranteed Investment Certificate - earning interest at 2.10% matures September 13, 2021	-	102,555
Guaranteed Investment Certificate - earning interest at 0.55% matures October 22, 2022	103,784	-
Guaranteed Investment Certificate - earning interest at 2.30% matures October 12, 2021	-	101,052
Guaranteed Investment Certificate - earning interest at 1.05% matures October 24, 2022	100,463	-
	<u>\$ 648,481</u>	<u>\$ 705,630</u>

---

---

## CALEDON PARENT-CHILD CENTRE

---

### Notes to Financial Statements

Year Ended March 31, 2022

---

#### 4. FUNDING REPAYMENT

The funding repayment represents a surplus of funding that is to be recovered by the Region of Peel in the amount of \$118,240 (2021 - \$113,022) for EarlyON Centres: Operating Funding and EarlyON Centres: Stabilization Grant.

	2022	2021
Region of Peel - EarlyON Centres: Operating Funding	\$ 91,329	\$ 113,022
Region of Peel - EarlyON Centres: Stabilization Grant	26,911	-
	<u>\$ 118,240</u>	<u>\$ 113,022</u>

---

#### 5. DEFERRED FUNDING

	2022	2021
Deferred funding from Town of Caledon: MACG	\$ 6,645	\$ 6,645
Deferred funding from Ontario Trillium Foundation	7,290	-
Funds received in advance from Region of Peel	-	24,658
Deferred funding from Region of Peel	-	14,847
Deferred funding from United Way (Restated - Note 8)	-	5,952
Deferred funding from Royal LePage (Restated - Note 8)	-	2,550
	<u>\$ 13,935</u>	<u>\$ 54,652</u>

---

#### 6. INTERNALLY RESTRICTED NET ASSETS

	2022	2021
Contingency Fund		
Opening Balance	\$ 181,112	\$ 170,311
Interfund transfers from (to) general fund	-	10,801
Balance, ending	<u>181,112</u>	<u>181,112</u>
Adjustments After Birth Fund	<u>1,930</u>	<u>1,930</u>
Parent/Child programs Fund	<u>123,350</u>	<u>123,350</u>

(continues)

---

# CALEDON PARENT-CHILD CENTRE

## Notes to Financial Statements

Year Ended March 31, 2022

### 6. INTERNALLY RESTRICTED NET ASSETS *(continued)*

Family Support Programs Fund		
Opening Balance	30,193	29,193
Income	2,550	1,000
Expense	(2,550)	-
Balance, ending	30,193	30,193
Pre-School Area Fund	1,459	1,459
Capital Assets (Van Replacement) Fund		
Opening Balance	18,435	9,532
Interfund transfers from (to) general fund	8,903	8,903
Balance, ending	27,338	18,435
Continuing Education Fund	2,643	2,643
Grand total	\$ 368,025	\$ 359,122

### 7. GOVERNMENT FUNDING

	2022	2021
<b>Region of Peel</b>		
EarlyON Centres: Operating Funding	\$ 791,064	\$ 571,076
Community Investment Program: Core	98,383	98,632
EarlyON Centres: Stabilization Grant	62,693	-
Community Investment Program: Capacity	6,937	149,057
HBHC	7,260	-
EarlyON Centres: New Sites Start Up Funding	14,847	-
EarlyON Centres: Pay Equity	7,278	7,278
	988,462	826,043
<b>Municipal</b>		
Town of Caledon: In Kind - MACG	1,819	-
Town of Caledon: Lease refunds	46,616	70,334
	48,435	70,334

*(continues)*

---

## CALEDON PARENT-CHILD CENTRE

---

### Notes to Financial Statements

Year Ended March 31, 2022

---

#### 7. GOVERNMENT FUNDING (*continued*)

##### **Provincial**

Ministry of Children, Community and Social Services -  
Broader Public Sector

<u>1,075</u>	<u>1,075</u>
--------------	--------------

##### **Federal**

Public Health Agency of Canada  
Employment and Social Development Canada  
Temporary Wage Subsidy

<b>24,770</b>	24,770
<b>13,026</b>	4,237
<b>-</b>	<u>10,169</u>

<u><b>37,796</b></u>	<u>39,176</u>
----------------------	---------------

Grand total

<u><b>\$ 1,075,768</b></u>	<u><b>\$ 936,628</b></u>
----------------------------	--------------------------

---

#### 8. RESTATED FIGURES

During the year, Management estimated that \$8,502 of funding and donation income received during the year ended March 31, 2021 should have been deferred. As a result of this estimate, the prior year figures have been restated.

The impact has been quantified as a decrease in revenue of \$8,502 and increase in deferred income of \$8,502 for the year ended March 31, 2021. Accordingly, the opening net assets as at March 31, 2022 and closing net assets amount as at March 31, 2021 has been decreased (restated) by the same amount.

---

#### 9. NON MONETARY TRANSACTIONS

Lease refunds were received in the amount of \$46,616 (2021 - \$70,334) to provide relief during the pandemic.

The Town of Caledon has provided a grant to offset the cost of renting space for grant rural programs. As part of this grant the Town of Caledon is providing in kind funding on the rental of Town of Caledon space to run these programs. The organization recognizes the cost of the rent as an expense and the in kind funding as revenue in the period incurred.

During the current fiscal year, the organization received \$1,819 of in kind rental funding (2021 - \$nil)

---

#### 10. LEASE COMMITMENTS

The Organization has leases with respect to the premises. Future minimum lease payments as at March 31, 2022, are as follows:

2022	\$ 104,886
2023	142,633
2024	35,903
2025	<u>36,627</u>
	<u><b>\$ 320,049</b></u>

---

---

## CALEDON PARENT-CHILD CENTRE

---

### Notes to Financial Statements

Year Ended March 31, 2022

---

#### 11. INVENTORY

In the year 2020, \$29,676 of promotion and appreciation items were expensed, they were on hand at the end of the year and should have been recorded as inventory. At the end of the current year the organization has used some of the items, and the cost of the items still on hand at March 31, 2022 is \$13,643 (2021 - \$28,010). In order to better reflect the reality of the organization's funding agreements, they choose to expense the items in the prior year, instead of treating them as assets for future use, as is required by GAAP.

---

#### 12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

---